Grey Dam Nickel Project - Drilling Commenced

Highlights:

- RC and diamond drilling program commenced, targeting the recently defined EM conductors and potential nickel sulphide mineralisation in bedrock.
- Eight drill holes planned, which will test 5 high priority EM targets at the Grey Dam Nickel Project, 70km from Kalgoorlie.
- Seismic Drilling Services Pty Ltd have been engaged to provide drilling services utilising a combination RC and diamond rig.
- Each hole will be surveyed for downhole EM once the drilling has been completed to test for off hole conductors.

Figure 1 Location of Carnavale's Nickel Projects

Chairman Ron Gajewski commented:

"We are very excited to commence drilling at the Grey Dam Project. In this drilling program we are aiming to confirm the geology, geochemistry and geophysics demonstrated by previous sampling and to test the strongest conductors identified by the recent fixed loop electro-magnetic (FLEM) geophysical survey."

RC and Diamond Drilling Program

Carnavale Resources Ltd (ASX: CAV) (Carnavale or the Company) is pleased to announce the RC and diamond drilling program targeting shallow (less than 400m) EM conductors has commenced at the Grey Dam Nickel Project. Seismic Drilling Services have been engaged to provide RC and diamond drilling services utilising a truck mounted multipurpose drilling rig (Figure 2).

Figure 2 Seismic Drilling Services drilling Target 4 at Grey Dam

The RC and diamond drilling program will target 4 priority areas with 5 target EM horizons, within the tenement package, for Kambalda style nickel sulphide mineralisation (Figure 3). The program comprises of 8 drill holes for approximately 1,500m of combined RC and diamond drilling.

The drilling program is expected to take approximately 3 weeks to complete, with samples dispatched to the laboratory for analysis thereafter. Upon completion of the drilling, Carnavale will engage contractors to survey the drill holes with downhole EM equipment designed to locate any possible off-hole EM conductors not intersected by the drilling.

Figure 3 RC and Diamond drill targets

A fixed loop EM survey was conducted earlier in the year over the southern, mafic-ultramafic package and identified 5 strong EM conductors including abundant lower order conductors. Carnavale is excited to have detected strong EM targets beneath coincident nickel, copper, and platinum geochemical anomalies as this is highly prospective for nickel sulphides.

Historic drilling at Grey Dam targeted gold and nickel laterites, with limited deep drilling below 70m. Nickel sulphide style mineralisation has been previously encountered in limited deeper drilling on the boundary of the ultramafic-sediment sequence near the surface Grey Dam laterite nickel cobalt resource. This shallow oxide resource is considered a large weathered geochemical halo near deeper fresh massive sulphide style mineralisation.

The Grey Dam Nickel Project consists of a tenement package that is made up of 100% owned Carnavale tenements (M28/378, E28/1477), an option to acquire 80% of Mithril Resources Ltd tenements (E28/2567, E28/2682, E28/2760, E28/2506) and an option to acquire 80% of Simon Buswell Smith tenement (E28/2587). The current drilling program is located on Carnavale and Mithril Resources Ltd tenements (Fig 4).

Figure 4 Grey Dam Nickel Project tenements with drill targets.

This release is approved by the Board of Carnavale Resources Limited.

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Competent Persons Statement

The information in this report that relates to Exploration Results for the Project is based on, and fairly represents information and supporting documentation reviewed by Mr. Humphrey Hale, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Hale is a consultant to Carnavale Resources Limited. Mr. Hale has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Hale consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements regarding Carnavale's plans with respect to the mineral properties, resource reviews, programmes, economic studies and future development are forward-looking statements. There can be no assurance that Carnavale's plans for development of its mineral properties will proceed any time in the future. There can also be no assurance that Carnavale will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Carnavale's mineral properties.

Information relating to Previous Disclosure

Previously reported material Information relating to the Grey Dam Project include:

Resource
**Grey Dam Ni-Co Mineral Resource Update, 26 February 2019.*

Exploration
Carnavale expands Nickel-Cobalt footprint at Grey Dam, 28 June 2019
Carnavale expands Nickle Sulphide potential at Grey Dam, 11 November 2019
Strong EM Conductors defined at Grey Dam, 3 June 2020
Drilling to test strong Nickel EM targets at Grey Dam 29 July 2020
Grey Dam Nickel Project Soil sampling update 31 August 2020